virting the different private establishments, are enabled to precure from some of them certificates that higher wages are paid in some instances than the rates adopted at the yard. These certificates do not state the number or preportion of men employed at those high rates, or whether these prices are paid to all of that class in such establishment. If, on inquiry, it is ascertained that only one or two men of anusual capability receive these high prices, and that those authorized by the government are fair average rates, the explanation fails to give satisfaction, for the evidence is produced that higher wages than shose on the government scale are paid in private establishments in the vicinity. The impression that there is some unfairness is engendered, complaints and strikes follow or are threatened, vigilant officers who are faithful to the government become obnotions, and discontent prevails. I would, therefore, recommend that the acts referred to be repealed.

\*\*NAYY TARD ARCES, ETC.\*\*

The lessons of experience will have been lost as regards the labor employed in the construction of our public ships, and the fearings of this war in a great measure thrown away, should we full to make thorough and essential changes in the organization and management of our navy yards. There has been undoubtedly a defective administration of the yards, and a want of proper responsibility pervades the jabole system. Much that is wrong has its origin, without doubt, in the parties character which has been fostered for years in those establishments where thousands of workmen are employed. Men are alton pressed for positions in the navy yards, not so much for their mechanical skill, industry and fadelity to the public service as for supposed or anticipated parties an services in behalf of some active politician or party. Having obtained positions through such influences, the appointees themselves in the selection of workmen are governed by similar considermations. The navy yards by these means became growed with political parti

were considerable reduction of the number of master werk men has been made, and changes have been introleved in regard to others which will, I am confident, have a salutary influence. Hereafter the several candifates for the position of master will be examined, and the appointments made without regard to locality. 
Bome improvements in the system of accounts have also been introduced, and will be still further extended.

The system of supplying the navy yards under what sealled "open purchase" by navy agents has been distontinued, and paymasters have been ordered hereafter make these purchases. The office of navy agent was make these purchases. ontinued, and paymasters have been ordered hereafter a make these purchases. The office of navy agent was aperificuous, and had become worse than useless. The system of purchasing on a percentage, limited in the mount which the agent should receive, led to corruption and abuse, which enriched those who chose to participate in such practices, demoralized those who held the office of navy agent, tended to corrupt the subordisates in the navy yards and those who furnished articles used or these purchases, discouraged and drove away house dealers, and finally ied to attempts to cover the tracks of guilt by technicalities of law, which may perhaps arrest the arm of justice, but cannot suppress the tableous judgment of an honest public opinion. To open to the light abuses sanctioned by time, and stonealed and protected by those who have profited and obtained wealth and influence through hidden malpractoca, is often a difficult as well as an ungracious task; but no officer who faithfully discharges his duty can be aware of misdemeanors or crimes of this character, and fall to expose or not strive to correct them.

The most efficient remedy for this state of things within the power of the Department has been applied in the transfer of the few remaining agencies to paymasters who receive no percentage, but porform their duties under the responsibility of their communitions, and may be subjected to court martial for delinquency, or summarily moved to other duty when the public interest may re-

sire it.

MILITARY AND RAYAL ASTUM.

The act of March 3, 1865, "to incorporate a national littary and naval asylum for the relief of the totally sabled officers and mon of the volunteer forces of the hited States," about di tever go into effect, will be salt to operate injuriously to the naval service. It is is decirable that a military and naval saylum should be saded in one establishment. The tastes, pursuits, asseteristics and habits of the sailor and the soldier as of disminifar that they will scarcely be made to huronize, especially when age and infirmity are upon one. The experience and practice of all governments manish us that the asylums or homes for these two same should be separate and distinct. The soldier ruld be satisfied with a location in the interior, but the low would wish to spend his declining years in view of a cocan and on its shores.

sould wish to spens his tocuring and and on its shores, and and on its shores, and be better that the army and navy should each is own asylung, and it is respectfully recommended hatever funds may remain in the Treasury from rother causes specified in the fifth section of the first of the set of

army.

none for sailors,
it a period when the hearts of the people are filled
h gratitude to our sailors for the services which they
e rendered, the opportunity is fitting to propose not
y further provision for the disabled of the past, but
to provide against the casualties of the future. A
nee for sailors exclusively, with arrangements for such
hem as have families, would, if practicable, be ment
actory, doubtless, to this deserving, loyal and heroic

congress shall sanction the removal of the Naval my to some more ample and suitable location, the de and buildings at Annapolis could, with but slight onal expense, be converted into a home for the s. For health, salubrity of climate, and vicinity to stern the location is fast that could be desired for

man-of-war's man of the present day has all the and generous qualities of the sailor of former and has neither deteriorated in courage, in ability, in handling his guns, nor in develors to his fig. to the scaman he was before the introduction of

issum, but his qualities are of as high an order; and ance lash and intoxicating drinks have been expelled from he service, the morale and discipline of the man-of-war f these days is an improvement on the past. In order that the pregress of the age may enlighten be path of the satior, it is important that a thorough retain of enlisting and instructing apprentices hould be put in operation. The government described by the past of enlisting and instructing apprentices which is unfortent number of the best boys in the sanity for appentices, and to effect this the service sust to made attractive. The assurance that a certain number of apprentices who are most capable and seaving will be promoted annually would be send a strong incentive and inducement. Pasts will be disposed to place only unmanageable and serving in a service which subjects them to the life of a sallor and holds out as prospect of promotion. Fe shall struggle in vain to elevate or greatly ameliorate fe future of the salior, so long as the enlisted person is rescribed from advancement, and denied all hope of wer becoming a commissioned officer in the may.

There are now by law two appointments of midshipment at the Naval Academy from each Congressional district, and that the other shall be taken from among the naval apprentices who have served two years on loard of a practice ship. The records of the two years wrice will show which of the naval apprentices are most proficient, and the most deserving will have seared the privilege of being transferred to the Naval Academy, to be educated at the public expense for the higher delies of the profession.

The protection and the most deserving will have seared the prevents system.

The fact that the higher grades in the navy will be the fact that the higher grades in the navy will be the control of the profession.

will determine whether these thus selected are superfor inferior to those appointed from the districts under the present system.

The fact that the higher grades in the navy will be one to enlisted boys, ender a system which will elevate the most worthy to be commissioned or warrant officers, will attract to the navy an abundance of the best boys who have aptitude for sea service.

This system will do sway with improper favoritism which tends to demoralization, and recognizes the right of the enlisted apprentice to reach the highest honor, provided he proves himself worthy.

FROFERTY GAPTURED AND DESTROYED.

Raval men, while animated with the noblest feelings of patriotism, and ready to sacrifice their lives for their security whose integrity was imperilled, were impressed at first with the conviction that to them, professionally, the war would offer but limited opportunity, for the rebels were not a commercial people nor addicted to maritime pursuits. No naved conflicts were anticipated, and it was supposed very few captures would be made; but the efforts of the insurgents, cut off from foreign suppersons, and the attempts of uncorruptions foreign adventures to violate the blockade, have rewarded naval vigitance and deleity with a large number of prises, many of them of great value. It is a gratifying circumstance that these prize captures have inured to the benefit of the naval service instead of privateers—differing in this respect from previous wars.

The number of vessels captured and sent to the courts

that these prize captures have inured to the benefit of the naval service instead of privateers—differing in this respect from previous wars.

The number of vessels captured and sent to the courts for adjudication from May 1, 1961, to the close of the rebellion, is one thousand one handred and fifty-one, of which there were steamers, 210; schooners, 569; sloops, 120; ships, 13; brigs and brigantines, 29; barks, 20; pachts, 2; small bosts, 139; rebel gunbers, 569; sloops, 120; schooners, 139; rebel gunbers, 130; rebel gunbers, 130; rebel gunbers, 130; research and schooners and scoops, 10; class unknown, 7—making a total of 1,149. The numbers of vessels burned, wrecked, sunk and schooners and schooners, 114; sloops, 52; ships, 2; brigs, 2; barks, 4; small bosts, 94; rebel rame, 6; rebel fron-clads, 6; rebel gunbeats, torpede bests and armed schooners and sloops, 11; total, 356—making the whole number of vessels captured and destroyed, 1,564. During the war of 1812 the mayal vessels, of which there were 517 commissioned privateers, and their captures numbered 1,425. Thus war was with a nation having the greatest commerce on the globe. During the recent war we have had no privateers aftent, and their captures of the navy could be made. Fearly all the captures of value were vessels built in so-called neutral ports, and fitted out and freighted in the ports of 8 government with which we had treaties and ports of 8 government with which we had treaties and ports of 150 prize of 8 government with which we had treaties and ports of 8 government with which we had treaties and ports of 8 government with which we had treaties and ports of 8 government with which we had treaties and ports of 8 government with which we had treaties and ports of 8 government with which we had treaties and ports and fitted out and freighted in the

to a strict neutrality, and manifested its sincerity, so fa s we were concerned, a satisfactory captured since the stional vessels.

The gross proceeds of property captured since the bleckade was instituted and condemned as prize prior to the lat of November, amounts to \$21,829,543; cost and expenses, \$1,616,223; not proceeds for distribution, \$20,801,977. There are a number of important cases still before the courts, which will largely increase these

amounts.

The value of the 1,149 captured vessels will not be less than twenty-four million five hundred thousand dollars, and of the 355 vessels destroyed at least seven millions of dollars, rasking a total valuation of not less than thirty-one million dwe hundred thousand odlars, much of which was British property, engaged in un-neutral commerce, and so justly captured and condemned.

commerce, and so justly captured and condemned.

Naval Presson Fund.

The naval persion fund at the present time amounts to nine million of dollars, to which another million of dollars, at the state of annuary next. There was received in July last, as interest, in currency, the sum of \$202,783. This fund is whelly derived from the government's share in the proceeds of captured and condemned prize property; most of it was foreign capital, embarked in foreign bottoms to aid the insurgents. The income from this source will, if rightly nusbanded, be ample to meet the requirements of the government for the payment of naval pensions, without any tax upon the people.

PENSIONS.

On the 1st of November, 1865, the navy pension roll was as follows:—

was as follows:—

931 invalids, with annual pensions amounting

568,587

1,096 widows and orphans, annually receiving... 179,642

rriendly feelings and give character to the service and the country.

While giving their time and thoughts, and, if required, their lives to their country, these gailant men should not be harassed with apprehensions that their families are suffering and in want, in consequence of the limited pay which is granted them by their government. The enhanced prices of the necessaries of life, which are felt by all who are dependent on salaries or a fixed income, have been painfully seyers on our naval officers. Their case appeals with force to Congress, and, though always averse to unnecessary and unwise public expenditures. I have felt it my duty to present it for favorable consideration.

Total. \$23,309,460
Appropriations not wanted and carried to surplus fund. 900,453
Leaving a balance at the commencement of the present fiscal year of. 22,408,000
The appropriations for the current year are. 119,882,928

The whole of this large amount will not be needed for disbursement during the year, and several of the bu-reans will have balances sufficiently large to cover their expenditures for the succeeding fiscal year. The esti-mates for the year ending June 30, 1867, are as fol-

Horwita.

You are respectfully referred to the reports of the versal chiefs of bureaus, herewith transmitted, for the perations in detail of their respective Departments, an only allude to some of the principal topics suggested. The chief of the Bureau of Vards and Docks calls at several chiefs of bureaus, herewith transmitted, for the operations in detail of their respective Departments. I can only alude to some of the principal topics suggested. The chief of the Bureau of Yards and Docks calls attention to the necessity for increased accommodations at the navy yards. Additions to their water fronts, decks, storehouses, &c., are required to meet the demands of the service. In connection with the Kittery yard the purchase of Beavy's Island is recommended. At the Charlestown yard the purchase of an adjoining wharf and water front, known as the Ruggles property, is urgently needed, and an arrangement haven meet under which it can be purchased. The Philadelphia yard has recently been extended, but is wholly insufficient. The Norfolk and Pensacols yards will require large appropriations to piste them in a state of efficiency. Works for the increased manufacture of steam machinery are advised, and estimates are submitted for the erection in the yards of houses for the officers and barracks for the seamen now quartered on board receiving ships. A repeal of the law respecting the wages of workme in neavy yards is recommended.

The Chief of the Bureau of Construction and Repair states that there are forty-one vessels intended for the permanent navy in various stages of completion, none of which have been launched. The auptipy of seasoned that a surplus of timber be now placed in the yards, with a view to its accumulating and being thoroughly seasoned, to meet any emergency that may bereafter arise, and also that arrangements be made at some suitable place for the Onestruction of tron vessels.

The report of the Chief of the Bureau of Equipment and Recrating attents that the fuel account of the navy or the past two years, been either lost or destroyed in view of increasing foreign squadrons, arrangement have been nasie and are being actunded for coal depots abroad. The ropewals has during the last work and the properties of the Bureau of Experiments are also being made to secretain the relative

ship, and for a well organises practice ground again presented and urged as measures of paramount necessity. It is also recommended to institute a course of experiments with torpedoes, and establish a corps of experiments with torpedoes, and establish a corps of experiments for future service; and in order to avail ourselvest of the results obtained abroad in the manufacture of annon and small arms, and their use is naval warfare, that officers of the may be detailed to visit Europe from time to time, and witness the experiments made at the foundries and arsenals. The results of the investigation made by a board of ordinance officers into the cause

bombardment of Fort Fisher are appended, and will be found hishly interesting.

The Chief of the Bureau of Navigation submits the usual reports of the Naval Observatory, Nautical Aimanse, and the general administration of his department. Most of the nautical instruments, and many other articles of navigation supplies, turned in from vessels put out of commission supplies, turned in from vessels put out of commission since the close of the war, appear to be available for reissue with some repairs and adaptations. Allusion is made to the prospect, apparently improved, of yet being able to dispense with foreign bunting for American flags. The preparation of a "danger chart" of the Pacific Ocean, to facilitate navigation, is in progress; and increased attention is recommended to the collection of hydrographic data in that important quarter, towards the construction of new charts and correcting old ones. And the importance of a hydrographic office in this connection, under the direction of the Bureau, is strongly urged as a means now wanting of authoritatively promulgating discoveries, &c., in any way affecting the interests of navigation.

The Chief of the Bureau of Provisions and Ciething.

coveries, &c., in any way affecting the interests of navigation.

The Chief of the Bureau of Provisions and Clothing
details the measures taken upon the close of the rebellion for promptly reducing the expenses of his department, by discontinuing the purchase of supplies and the
closing of the depots in different sections of the country.

The system adopted by the Department in supplying the
various blockading squadrons during the war with fresh
provisions gave great satisfaction to officers and men,
and added largely to the sanitary condition of the fleets.

To meet the demands of foreign service store vessels,
which are preferred to storehouses on shore, have been
sent to the various headquarters of the squadrons. An
increase in the corps of regular paymasters is urgently
recommended, and additional accommodations for supplies in connection with, or near to, naval stations are
needed.

The Chief of the Pursan of Medicine and Surgery me-

needed.

The Chief of the Bureau of Medicine and Surgery presents the usual tables showing the sanitary condition of the navy. The number of persons under treatment during the year ending 31st becember last was 73,565, of whom 1,373 died, and 2,671 were on the sick list at the close of the year. The total number of deaths from October 1, 1856, to September 39, 1865, was 1,769, being a percentage of about .602 to the whole number of persons in service. The per centage of deaths to the whole number of cases treated is .615, or less than two per cent. During the progress of the war 1,400 persons were killed, 1,633 wounded and 178 reported missing, making the total number of casualties in the naval service 3,220. But seventy-one persons have availed themselves of the provision of the act of Congress providing artificial limbs. The increased cost of living renders the monthly tax of twenty cents upon the salaries of officers and men inadequate to the support of naval hospitals, and unless some other means are devised an appropriation by Cangress will be required to meet the necessary expenses. A new laboratory building, at a cost of \$50,000, is recommended.

The Colonel Compandant of the Marine corps reports

tion by Cangress will be required to meet the necessary expenses. A new laboratory building, at a cost of \$80,000, is recommended.

The Colonel Commandant of the Marine corps reports the order and discipline of the corps as alike creditable to officers and men. During the year the strength of the corps has not materially changed. Though now to a considerable extent employed in guard duty on shore, the greater part of the corps have, during the year, been actively engaged in the operations of the several squadrons, bearing their part in the naval operations of the war.

rons, bearing their part in the naval operations of the war.

CONCLUSION.

In former reports, rendering an account of the administration of this department since I entered upon its duties, it has given me pleasure to make kflown my obligations to the gentlemen who have been associated with me in the conduct of its business. Continued experience has deepened my sense of grateful obligations for their ability, faithfulness and industry under circumstances which were often not only responsible but ambarassing, and I gladly avail myself of this opportunity to again express my acknowledgment for their support and assistance. In our arduous snat vastly extended naval organization and action during the past four eventful years, and especially in the new forms of power which modern inventions have produced, and the new scenes of effort which this unparalleled war has called forth, in which they have been so severely tried and so triumphantly illustrated, an extraordinary opportunity has opened and an unexampled necessity has existed for an administration of the Navy Department at once judicious and efficient.

Under the pressure of such an exigency, I certainly do

an unexampled necessity has existed for an administration of the Navy Department at once judicious and efficient.

Under the pressure of such an exigency, I certainly do
not claim, and cannot hope, to have always avoided mistakes; but I do sincerely trust that the brilliant and glorious naval record which shines along the line of
momentous events during the whole of this period may
be accepted as proof that the Department has been faithfully devoted to its duties, and that through its counsels
and care the force of our navy has, in the selection of
officers to wield and work it, been generally and to a very
fortunate extent confided to the best and fittest hands. In
the conduct of our naval operations to put the right man
in the right place has been the constant effort of the
Department; and the recent history of the navy bears
witness, I think, that the effort has not been unsuccessful nor fruitless. It is my plessing duty to add that the
requirements and accomplishments of their profession,
which our navy list presents, has not unfrequently embarraked the Department in its difficult task of selection.

As peace is being restored among us the country now
puts off the formidable naval armor which it had assumed to vindicate upon a mighty scale that supremacy
of the national law which is the very life of our Union.
In the details of the policy and the measures by which
our naval power is now brought down to the dimensions and distributed to the important operations of a

of the national law which is the very life of our Union. In the details of the policy and the measures by which our naval power is now brought down to the dimensions and distributed to the important operations of a peace establishment, the country will see with relief and gratitude a large and signal reduction of national expenditure. I need hardly say that this great object is kept constantly and carefully in view by this Department.

kept constantly and carefully in view by this Department.

Buch alleviations of the public burdens is the plain dictate of a wise policy. Yet two wisdom directs that this policy of retreachment in the naval branch of the public service must not be carried too far. It is still wise—the wisest—economy to cherish the navy, to husband its resources, to invite now supplies of youthful courage and skill to its service, to be amply supplied with all needful facilities and preparations for efficiency, and thus to hold within prompt and easy reach its vast and salutary power for the national defence and self-vindication.

Let the government still extend in judicious and mo Lot the government still extend in judicious and moderate measure this fostering care to its navy, and whenever the crisis shall arrive that our national rights or interests are imperilled we may be assured that the navy will again vindicate the claim which it has already so signally established to the admiration and gratitude of the country.

The Parameter.

Secretary of the Navy.

## THE INTERIOR DEPARTMENT.

Abstract of the Report of Secretary Harlan. LANDS.

rs from the report of the Commissioner of the General Land Office that during the fiscal year ending June 30, 1866, public lands were disposed of as follows:— 

Making, during five quarters, the total number of acres.

The cash receipts from sales, homestead and location fees for the same five quarters, ending September 30, 1865, were \$1,038,400. The cash sales for the year end-1855, were \$1,035,400. The cash sales for the year end-ing June 30, 1865, amounted to \$748,427, an excess of \$70,420 over the sum received from the same source the previous year. During the fiscal year ending June 30, 1865, 4,161,778 acres of public lands were surveyed. The aggregate quantity of surveyed public lands undisposed of September 30, 1865, was 132,285,035 acres.

HOMESTRAD LAW.

The Homestead law has been in operation since the lat of January, 1863. Large bodies of land have been entered under its provisions. Five years' continuous resitered under its provisions. Five years' continuous residence is accessary to the perfection of the title of a homestead settler, unless he prefers to purchase the land at the minimum price and obtain a patent. It is estimated that from forty to fifty per cent of the persons who have so claimed the privilege of the Homestead law will prefer to make payment, and thus secure a title before the expiration of the period when it would other wise vest. The nominal sum paid by the homestead settler, and the fee which he pays to the local officers, are tier, and the fee which he pays to the local officers, are sufficient to cover the expense incident to the survey and the disposal of the land.

LAND TITLES IN ARISONA AND NEW MEXICO. The Secretary urges, as a matter of the utmost importance to the settlers in Arizona and New Mexico, that early provision should be made by law for the adjustment of Spanish and Mexican titles arising under existing treaties with the republic of Mexico.

BUREAU OF SURING.

The attention of Congress is sgain invited to the organization of a Bureau of Mining. All lands denominated mineral, which do not bear the precious metals, should be brought into market, and thus placed under the guardianship of private owners. The Secretary wisely sugobviously requires that all our national resources, and the product of every industrial parsuit, should contribute to the payment of the national debt.

The act of February 27, 1865, made an annual allowance of three hundred dollars for life to each of the five survivors of the Army of the Revolution. Four of these aged and venerable men lived to receive this token of the nation's gratitude. Two of them have since died. Wilnation's gratitude. Two of them have since died. William Hutchings, of Penobeest, Hancook country, Maine, aged one hundred and one years, and Samuel Cook, of Carendon, Orleans country, New York, aged ninety-nine years, are the only persons among the living known to the Department who participated in the heroic struggle which achieved our national independence. The names of one thousand one hundred and fifteen widows of Revolutionary soldiers are inscribed on the pension rolls. The right to a pension was confined, by the act of July 4, 1836, to those whose marriage with the deceased soldier took place before the close of his military service. It was subsequently extended, by the act of February 21, 1866, to those whose marriage took place prior to January 1, 1794, and by the set of July 28, 1845, to who a were married series, and

when prouds were aboved during the last seed year, when prouds were aboved during the last seed year, their pendon under special act of Congress. During the signal year ending June 20, 1855, the names of fourteen themsend in the hundred and sirty-two army invalid pensioners were, on original application, added to the roll, and the number to whom the pension under during the state of the pension of the more and three hundred and twenty-eight, requiring an actual payment of \$1,220,753. The agrees of the control payment of \$1,220,753. The agrees of the control payment of \$1,220,753. The agrees of the control payment of the payment of the

the former class forfested their pension from the case of specificity routed to be in redulin. Such of them as a sectoration to present the control of the proof. In accordance with from and interactions, adopted for the adjustation of these special cases, and the proof in a secondance with forms and interactions, adopted for the adjustation of these special cases, and the control of the proof of the adjustation of these special cases, and the control of the proof of the adjustation of these special cases, and the control of the proof of the proo

The Secretary states that the work on the census of 1860 had been delayed in consequence of the appropriation of \$1,642,000 having been exhausted and itsolities amounting to a considerable sum remained undischarged. The third volume, entitled "Manufactures," has been completed and printed. The fourth and last volume, embracing mortuary, educational and miscellancous statistics, has been prepared for the public printer, and will be roady for distribution at an early day.

The act approved July 1, 1862, to aid in the construction of a railroad from the Missouri river to the navigable waters of the Pactific, and subsequent legislation on this subject, with its hearty approval by the people, furnish a striking proof of the unconquerable determination of the nation and an unfaltering faith in its ability to preserve its territorial integrity. Had it been deemed possible that our country could fail a pray to rebellion, and its dissovered parts become subjected to the construction of such a work would never have been undertaken, and its execution would have been impracticable. Although, at the date of the enactment of these several laws, the resources of the nation were severely taxed, measures were adopted deemed adequate to induce capitalists to engage in the construction of this great thoroughfere, in the conviction that it would forever remain the property of a united people. The energy displayed in its prosecution for two or three years did not, however, equal public expectation and the wishes of the government. But during the past year it has been progressing in a satisfactory manner, from Omaha, Kansas City, and Atchison, westward, and from Omaha, Kansas City, and Atchison, westward, and from Caramento, California, eastward. The amount of private capital already invested, the high personal character of the gentlemes feomected with its procescution, and the minimicent subsidy of the government, combine to give assurance that the whole will be completed within the period fixed by law, thus furnishing a continuous

inorhaustible national resources, and perpetuating the unity of the American people, will be more and more appreciated as it approaches completion.

NORTHERS FACIFIC BALEAGE.

The Northern Pacific Railroad Company, on the 11th of December, 1864, filed their acceptance of the provisions of the act of Congress entitled an act granting lands to sid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific cosal, by the northern route, and under date of the 6th of March last aubmitted their map designating the general direction of their road from a point on Lake Superior, in the State of Wisconsin, to a point on Puget Sound, in Washington Territory. The records of the Department do not, however, show any further action by the company in the premises.

MESCILANSOIS.

The concluding portions of the report embraces, among other miscellaneous matters, references to the Capitol, Washington Aqueduct, the government hospital for the insane, Columbia Institute for the Deaf and Dumb, Metropolitan Police, and the affairs of the District of Columbia generally.

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New Works. HOTSPUR: A TALE OF THE OLD DUTCH MANOR By Mansfield T. Walworth.

The writer of this novel seems to understand the taste of the time for the kind of literature to which he is a contributor. People everywhere in the present age, and

ontributor. People everywhere in the present age, and particularly in this country, want strong and intoxicating draughts for the mind. It is emphatically the age of sensational impulses. It is emphatically the age of sensational impulses. It is so fast, and crowded with such successive startling events, that the noveliat has to furnish a suitable stimulant to succeed. The public mind—and especially the youthful mind—reels with poliations from the vast amount of this literature with which the country is flooded. The author of the volume before us will, we have no doubt, be as successful as any of his contemporates, for his work will suit the public taste. We notice, too, that he has entered the race for popular favor in good earnest, for he has just published another novel called "Luiu."

Mr. Walworth possesses undoubtedly one of the first and highest qualities for a writer of romance. His mind overflows with sentiment and poetle similes. In fact, it reminds us of scenes in the tropics, where in some rich valley, under a hot sun, vegetation is so huxuriant that one becomes suffocated with perfumes and confused by redundancy. This at the same time constitutes the fault of his style and composition. His writing requires extensive pruning of the redundancy and repetition of words, these and metaphora. The same fault, however, pervades the whole of our modern novel literature, and the author is not remarkably exceptional in this respect. The writer has but just commenced his career as an author, and he has time yet to cultivate his fine imaginative and poetle genies and his style. "Hotspur" not doubt will be extensively read; and we hope the author's ambition will be setlated.

CHILRAN AFFAIRS.

Our Valparaiso Correspondence

Our Valparaino Correspondence.

Valparaino, Nov. 1, 1868.

All Spanish Residents Ordered to Santiago—The New Ouroms Decree—Visit by the Diplomatic Corps to Admiral Pareja—The Spanish Paper Blockade—The First Bood Spilled—Enthusiasm of the Chilence—Preparations for Active War, &c.

By my last letter I informed you that a decree had been issued ordering all Spaniards residing in the republic to the city of Santiago. This act, though of excessive energy, was of absolute neces-

act, though of excessive energy, was of absolute necessity in the present circumstances, when we are in-volved in a war with a country that respects nothing, and is quite capable of doing all sorts of damage to these defenceless towns, that should be considered only as factories of foreign commerce. The fear that this decree should become a source of fraud has induced the govern-ment to issue several others forbidding the transference of other nationalities. This will surely prevent our disagreeable guests from deriding their engagements with

natives or foreigners.

The extraction of coal has been submitted to the necessary restrictions to prevent its being sent to the enomy. The free trade decree has been equally re-stricted to goods brought into the non-blockaded ports, if manufactured in the country from which the ship arrives. This restriction has met with a most energetic disapprobation, it being considered as doing away entirely with the franchises before granted. Our Minister of Finance, to whose capacity I have already called your attention, is far from harmonizing with our present situation. Our principal ports being now shut up, we should grant all the franchises, so that by opening a propitious way to speculation in general, they would check the effects of the blockade. It is be-lieved as most probable that this last decree shall soon

About the middle of last month several members of object of having a conference with Admiral Pareja. Great sensation was caused by this, as it was generally

But God, who never torsakes a just cause, will give us the triumph over our enemies.

The question has come to such a point now that there is no possibility of an arrangement; because, though mediation would be the best way for Spain to get out of the scrape in which she now is, Chile will not consent to it unless she receives a proper redress for all the wrongs she has endured.

The manifesto from our Minister of Foreign Affairs gives a most clear and accurate account of the proceedings of both parties. Many of the opinions on the matters there contained are in perfect accordance with what I have said before to you on the subject.

## THE NAVY.

ARRIVAL OF THE BHODE ISLAND. The United States steamer Rhode Island, Alexander Murray commanding, arrived at this port yesterday from The Rhode Island is brought to this port to be fitted out for service as the flagship of Commodore Palmer of the West India squadren. The following is a

Commander—Alexander Murray.

Lieutenant—F. R. Smith.

Acting Masters—Zera L. Tanner. era L. Tanner, Nicholas Pratt, T. M.

Acting Matters—Zera L. Tanner, Nicholas Pratt, T. M. Paine.

Acting Ensigne—Wm. Field, Chaz Wilson.

Engineers—Chief, John F. McCutcheon; Second Assistant, Wm. A. Windsor; Acting Second Assistants, Wm. A. Windsor; Acting Sender Assistants, J. C. Veatch, D. A. Bandall, E. J. Swords, Chaz.

Enggrip.

Enggrin.
Mates—Charles J. O'Neill, Wm. Bolton, J. W. Colton W. J. Foley.
Acting Ensign—H. Peters.
Captain's Clerk—Langden S. Rodgers.
Paymaster's Clerk—Arthur F. Haynes.

MORE MEN OUT OF EMPLOYMENT. The work of retrenchment of national expenses by reduction of the employes of the Navy Yard still good on. On last Tuesday evening the services of one hun-dred and seventeen men were dispensed with, principally belonging to the Civil Engineer's department.

THE PAY-OF DISCHARGED MEN. The total number of men recently discharged from the Navy Yard amounts to 1,839. The labor attendant upon Navy Yard amounts to 1,839. The labor attendant upon making out the pay rolls necessary to pay these men is, of course, immense, and consequently could not be got ready without some delay. Since the first discharge on Saturday last these men have been auxiously besieging the efficient gatekoeper of the yard, Captain Waogh, with inquiries as to when they would be paid. On investigation it appears that the rolls will be in readiness today; but, owing to its observance as Thanksgiving Day, no payments will be made until to morrow, when the government indebtedness will be duly discharged.

THE CAULEERS' TROUBLES. Much has been recently said of the caulkers' strike, both pro and con. The facts as elicited in this matter both pro and cos. The facts as elicited in this matter from authentic sources appear to be as follows:—Early in September the Navy Yard authorities reduced the wages of the caulkers from \$4.50 to \$3.56 per day, thus placing them on a par with the ship carponters, whose pay had also been reduced, with a view to public economy. Upon hearing of this reduction, the entire body of caulkers, several hundred in number, which are organized as a trade's union, took up their tools, in the most independent manner possible, and left their work and the yard forthwith, declaring a strike.

Caulkers being in demand just then, several ship carpenters were employed as such, and other caulkers were sent on from Boston. The latter men did not long remain, however, as they represented that New York caulkers (those who had recently struck) had threatened to take their lives should they persist in working for the government at this yard.

Other caulkers were recently employed who did not belong to the "strikers," as the Admiral positively prehibits the re-employment of these mon, and on the first of the month their pay was raised to the old standard, \$4.50 per day. This greatly enraged the striking caulkers, who, a tew days since, made, it is alleged, a terrible onalaught upon the new hands while they were engaged at werf on an ordance seew, at the foot of Gold street,

3 and succeeded in driving them off. Shortly afterwards another descent was made upon the canifers while working on the Algonquin, in New York, by the same Union, and again were the new knights of the onkum and malter driven off. Finally the Algonquia was taken across to Jersey City, in order to be caulked, and buye Jerseymen wont to work upon her in a most fearless manner, defying the numerous threats of the New York caulkers, who ordered them to desist, until they had fairly completed their task.

who ordered them to desire, many several of the papers pleted their task.

It has been frequently stated by several of the papers that great inconvenience was experienced by government on account of the scarcity of this class of tradesmen. Such, we are assured, is not the case, the present number at the yard being amply sufficient for the demands of the service. It is understood that arrangements have been made with the police authorities for the thorough protection in future of the Navy Yard caulkers against the assaults of their predecessors.

## FINANCIAL AND COMMERCIAL

In the House of Representatives yesterday Mr. Bing ham offered a joint resolution submitting to the Legislatures of the States an amendment to the constitution declaring that the article prohibiting a duty on exports from the United States is repealed. This involves the assumption that such a prohibition actually exists in the constitution; but the question arises, does it, and is any constitution; but the question arrives, does it, and is any such amendment necessary? The words of the article—"No tax or duty shall be laid on articles exported from any State"—may be interpreted as applicable to a single State only, and not to the States collectively represented in Congress, and in this view it is by no means clear that Congress has not the power to impose a tax on exports without the amendment; and there are those who contend that so long as the letter of the constitution is not violated its spirit should be interpreted as we understand it, and as may accord with existing circumstances and national in-terests, it being for us to regard the constitution, not as a fetter, but as the protecting bulwark and palladium of

our liberties.

The history of the constitution goes to show that the Southern States were in favor of a clause prohibitive of export duties in all the States, and one to that effect was introduced into a plan of a constitution presented at the opening of the Convention, in May, 1787, by Mr. Pinckney, of South Carolina; but the words "from the States," in his plan, were changed to "from any State," as they now stand in the draft of the committee instructed to report a constitutions which, it has been reasoned, showed that Mr. Pinckney's general prohibition of export taxes had been rejected, and that the clause as it stands was adopt-ed by the Convention to prevent Congress from taxing States, and also to prevent the Legislature of any State from taxing its own exports. The general understar of the Convention was, however, that a tax on all experts was prohibited by the clause, which last was strongly op-posed by such men as Gouverneur Morris, Madison Clymer and John Dickinson in the debates. And it would seem to be more from the debates than the constitution itself that Story and Kent formed their opinions constitutionality of a tax on exports. The people, on the other hand, it has been argued by a writer in the North American Review, had before them the constitution and not the debates when they adopted it, and neither the debates nor contemporary interpretation are author however useful they may be "to illustrate and confirm the text, to explain a doubtful phrase or to expound an becure clause," the constitution itself being alone authority.

Whether if the amendment proposed by Mr. Bingham

whether it the amendment proposed by Mr. Bigham is adopted a clause should not be substituted prohibiting any inequality in the taxation of exports by Congress, as also their taxation by individual States, is a question entitled to consideration; for the prohibitory clause is clear enough so far as it affects individual States, and in this sense it should be retained. If an another it is really considered because to give four what may be considered the meaning of the tax or duty shall be laid on articles exporte Siate" could be adopted. Thus: No sax or duty shall be laid on articles exported from any one State that is not laid on simpler articles exported from every other State, and

that, finding the customs duties exceeded the amount required for the payment of the coin interest on the pubof gold up to the end of October aggregated \$27,993,216, the premium on which was \$12,310,450; so that the ustified, but it was clearly in violation of the act of Congress, which provides fon the application of such a surplus to the establishment of a sinking fund. Mr. McCulloch says that compliance with the requirements of the act was, by the necessities of the Treasury, render ticable; but he thinks that after the expiration of the present (fiscal?) year the income of the government will to carry into effect the provisions of law. He is, however, of opinion that safe and simple way of sinking the nati debt is to apply directly to its payment the excess of re-ceipts over expenditures; but he does not describe the way in which he would pay it, or what class of securities he would first select for reduction. He therefore re-commends the repeal of so much of the act of February 25, 1962, referred to, as requires the application of coin to the purchase or payment of one per cent of the entire public debt. The advisability of this course is, however, questionable, and because the necessities of the Treasury questionable, and because the necessities of the Treasury
have thus fir prevented the Treasury from complying
with the requirements of the act there is no good reason
why, according to Mr. McCulloch's own abowing, the
Treasury should much longer postpone obediques to the

With respect to the receipt of gold on deposit by the Treasurer of the United States and the Assistant rer in this city, and the issue of certificates therefor under the authority of the act of March 3, 1863, Mr. Me. Culloch says that instructions were given to this ef-fect to promote the convenience of officers of customs and of the Treasurer and Assistant Treasurers, and for the accommodation of the public. He mentions that other considerations—why not have enumerated thems— also prompted him to avail himself of the authority conferred by the act. He expects
that the credit of the government will be strengthened
by the coin which will be thus brought into the Freazury,
and that the measure will tend to facilitate to some extent a return to specie payments. This last is, how-ever, by no means obvious. There is nothing to justify the government in embarking in the banking business, to which its gold deposits and certificates properly belong, and the views which Mr. McCulloch expresses upon this point are somewhat in antagonism with those with which he regards the issue of paper money by the

government in an earlier portion of his report.

One fallacy stands out prominently in the midst of
the general good sense of the Secretary's report, and that is that "the public debt of the United States repre-sents a portion of the accumulated wealth of the coupsents a portion of the accumulated wealth of the country." On this principle, if our national debt were a hundred thousand millions, we should be as a nation very wealthy and prosperous, after the manner of the enterprising individual who indicated the extent of his prosperity by saying:—"Five years ago I wasn't worth a cent, and now I owe a hundred thousand dollars." How does he reconcile this view of the case with what he correctly says of it elsewhere?—namely. "It is an encumbrance upon the elsewhere?—namely, "It is an encumbrance upon the national estate. Neither its advantage nor its burdens national estate. Neither its advantage nor its burdens are or can be borne equally by the people. Its influences are anti-republican. It must be distasteful to the people because it fills the country with informers and tax-gatherers. It is dangerous to the public virtue because it involves the collection and disbursement of wast sums of money, and renders rigid national economy almost involves the life in a world a patient based on the public virtue because it involves the collection and disbursement of wast sums of money, and renders rigid national economy almost

of money, and renders rigid national economy almost impracticable. It is, in a word, a national burden."

A large number of the mortgage bonds of the Kansas branch of the Union Facific Railroad have been presented at the Treasury Department, the parties holding them claiming a reservation of the government bonds under the act of 1804. As government bonds have been recently issued to this company upon the affidavit of John D. Perry, President, his friends fear serious trouble may result from his misapprehension of the facts when he made the affidavit. The Treasury Department will be exonerated from all blame in the matter if no notice of the existence of these bonds had been presented to the department, the act of Congress making it obligatory to deliver the bonds upon the evidence furnished. The effect will probably be to prevent any further issue of bonds to that company until the matter is thoroughly investigated.